



**AEM Holdings Ltd**  
52 Serangoon North Ave 4  
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**For Immediate Release**

## **AEM reports record revenue and profits for 2QFY2019 with revenue of S\$97.9 million and net profit of S\$15.7 million**

- Revenue increased by 34.8% to S\$97.9 million in 2QFY2019 as deliveries to Group's main customer increased
- Sales guidance of S\$265 million to S\$280 million for FY2019
- Interim dividend of 2.0 cents per ordinary share declared

**Singapore, 8 August 2019** – AEM Holdings Ltd (“AEM” or “the Group”), a global provider of equipment systems solutions and manufacturing services, announced its financial results for the three months and six months ended 30 June 2019 (“2QFY2019” and “1HFY2019” respectively) today.

### **Financial Overview**

The Group's revenue increased by 34.8% year-on-year (“yoy”) to S\$97.9million in 2QFY2019, primarily generated by the Equipment Systems Solutions (“ESS”) business. By business segments, ESS revenue increased by 33.6% yoy to S\$94.9 million in 2QFY2019. This was mainly due to the increase in orders from its main customer. All other business segments of System Level Test & Inspection (“SLT-I”), Micro-Electro-Mechanical Systems (“MEMS”) and Test and Measurement Solutions (“TMS”) also recorded a growth in sales in 2QFY2019 and 1HFY2019 mainly with orders from new and existing customers.



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(S\$ '000)	Three months ended 30 June 2019 (2QFY2019)	Three months ended 30 June 2018 (2QFY2018)	Change (%)	Six months ended 30 June 2019 (1HFY2019)	Six months ended 30 June 2018 (1HFY2018)	Change (%)
<b>Revenue</b>	97,919	72,658	34.8	150,635	138,308	8.9
<b>Raw materials and other consumables</b>	(62,772)	(49,866)	25.9	(95,287)	(93,451)	2.0
<b>Material margin</b>	35.9%	31.4%	4.5	36.7%	32.4%	4.3
<b>Profit before tax (PBT)</b>	<b>18,984</b>	<b>11,519</b>	<b>64.8</b>	<b>26,965</b>	<b>21,530</b>	<b>25.2</b>
<b>PBT Margin</b>	19.4%	15.9%	3.5	17.9%	15.6%	2.3
<b>Net profit</b>	<b>15,708</b>	<b>9,495</b>	<b>65.4</b>	<b>22,304</b>	<b>17,713</b>	<b>25.9</b>
<b>Net profit margin</b>	16.0%	13.1%	2.9	14.8%	12.8%	2.0

Raw materials and consumables cost, taking into consideration changes in inventories and excluding reversal for inventory obsolescence, increased by 25.9% yoy to S\$62.8 million in 2QFY2019. Material margin improved in both 2QFY2019 and 1HFY2019 compared to their respective corresponding periods last year, mainly attributable to favourable changes in product mix and higher revenue contribution from engineering development projects.

AEM reported net profit of S\$15.7 million in 2QFY2019, 65.4% higher than that of 2QFY2018. Net profit margin increased from 13.1% in 2QFY2018 to 16.0% in 2QFY2019. Fully diluted earnings per share for 2QFY2019 was 5.76 Singapore cents, compared to 3.50 Singapore cents for 2QFY2018<sup>1</sup>.

In 2QFY2019, the Group generated operating cash flow of S\$20.5 million, before taking into account working capital changes. The Group maintained a healthy balance sheet with net cash of S\$57.4 million as at 30 June 2019. Net asset value per share was 39.3 Singapore cents as at 30 June 2019, compared to 33.3 Singapore cents as at 31 December 2018.

<sup>1</sup> Based on the weighted average number of shares adjusted for the effect of dilutive potential ordinary shares of 272,864,980 for 2QFY2019 and 271,137,543 for 1QFY2019 respectively.



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The Group declared an interim dividend of 2.0 Singapore cents per ordinary share, representing a payout of 24.2% on net profit in 1HFY2019.

### **Business Overview and Outlook**

1H2019 has been a record half for AEM as our key customer introduces new products based on more advanced semiconductor nodes. AEM's test handlers which are optimised for testing complex logic chips subsequently saw an increase in demand. On 25 July 2019, the Group announced sales orders worth S\$255 million for delivery in FY2019, and revised its revenue guidance for FY2019 to be between S\$265 million to S\$280 million. Capital expenditure is expected to be between S\$4 million to S\$7 million for FY2019 to support engineering and business development for future customer programs. The sales momentum for our high-density handler will be closely linked to the timing and pace at which our main customer replaces legacy platforms with our equipment, sales seasonality, its market share, and new product/program launches. The Group also expects continued sales of its kits and pans which go into our existing installed base of equipment at our customer's sites.

AEM has been working towards diversifying our customer base through its AMPS (Asynchronous Modular Parallel Smart platform) initiative. The Group has delivered early commercial systems to a memory manufacturer and is working on securing new orders from this customer. AEM also aims to develop accounts with other semiconductor manufacturers for solutions through its AMPS initiative.

The MEMs testing solutions division (Afore) recently received an equipment order for its wafer-level environmental sensor test solutions from a major German sensor supplier in the automotive and consumer industries. This is an important first step in a multi-year sales process.

On the TMS Group, it has delivered optical fiber cable-test equipment to Huawei for its high-performance short reach cabling links for 5G backhaul network. It is currently working with Huawei, CETC23 and their suppliers to offer them additional systems and solutions.



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AEM's Executive Chairman Loke Wai San commented, "AEM has gradually built up our portfolio of testing solutions that radically reduce the cost-of-test for our customers in MEMS, Quantum Computing, Logic ICs and 5G infrastructure. With sustained investments in R&D and accelerated sales and marketing initiatives, we will continue to strengthen our market leading position in the semiconductor and communications industries in the interconnected 5G and datacentric world."

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#### **About AEM Holdings Ltd**

AEM Holdings Ltd is listed on the main board of the Singapore Exchange (Reuters: AEM.SI; Bloomberg: AEM SP).

AEM Holdings Ltd ("AEM") aims to be among the world's leading companies providing solutions in equipment systems; precision components and related manufacturing services across various industries.

AEM takes pride in providing innovative, engineering-focused solutions and developing strong partnerships with customers and associates to cater to their manufacturing needs through our global engineering service support network and innovative people. Currently, AEM has 4 manufacturing plants located in Singapore, Malaysia (Penang), China (Suzhou) and Finland (Lieto). Through our network of sales offices, associates and distributors, we have a global market presence spanning Asia, Europe and the United States.

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**Issued for and on behalf of AEM Holdings Ltd**

**By Financial PR Pte Ltd**

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